

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

New Jersey Headwear Corporation

New Jersey Manufacturing Extension Program

Training Leads to Leaner Operations at New Jersey Headwear

Client Profile:

New Jersey Headwear Corporation of Newark, New Jersey was founded in 1992 as a manufacturer of union label apparel, including hats and shirts, to be promoted to unions, political campaigns, government agencies and socially responsible organizations. The company's products, which also include a recently established line of custom bags and embroidery, are available only through a national network of union wear distributors. New Jersey Headware employs 100 people.

Situation:

New Jersey Headware's President, Mitch Cahn, first encountered the New Jersey Manufacturing Extension Program (NJMEP), a NIST MEP network affiliate, when he attended their Principles of Lean Workshop. An NJMEP field agent subsequently prepared a QuickView Assessment and a Lean Opportunity Assessment. These undertakings led to a number of relevant observations and raised pertinent questions and concerns with the company's operations, including excessive idle time during embroidery setup; a deficiency in communicating company goals and expectations to most employees; a flawed production and inspection process, leading to nonconforming products and non-value-added work; an absence of visual signs of any Total Productive Maintenance programs; and a lack of accountability for product quality non-conformance.

Solution:

NJMEP offered recommendations that addressed the areas of concern, identified specific improvement opportunities, and estimated the positive impact on business. New Jersey Headwear management discussed these recommendations with NJMEP and decided to proceed with a Lean Transformation Project. NJMEP's field agent contacted third party resource Dave Hollinger for ongoing assistance. NJMEP conducted multiple workshops, including Principles of Lean, Team Building, Value Stream Mapping, 5S, Cellular/Flow Manufacturing, Pull/Kanban, Setup Reduction, and Project Mapping/Implementation. Upon completion, New Jersey Headwear had grown into a more profitable and competitive business. The company has since contracted with NJMEP for an additional five days of Lean consulting, and has applied for a New Jersey Department of Labor grant, to be applied to a recently acquired manufacturing operation and training in English as a second language.

Results:

- * Increased sales by \$750,000.
- * Realized \$1.2 million in cost savings.
- * Invested \$150,000 in capital improvements.
- * Retained 20 employees.
- * Created 20 new jobs.

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

* Reduced setup time by two-thirds.

Testimonial:

"This training program has significantly transformed our business into a more profitable and competitive business. We freed up floor space, which will now allow us to expand our production operation. Lean enabled us to migrate to self-directed work teams which have reduced demands on management's time, allowing a greater focus on other areas like sales and finance. As a result of this improvement to our business, we were able to absorb increases in hourly wage rates, and are now in a position to acquire another product family. We are looking forward to growing our business by 'Leaning out' an acquired manufacturing operation. NJMEP has been excellent to work with."

Mitch Cahn, President